

## Town of Acton

# Memo

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**To:** The Board of Selectmen  
**From:** John Murray *[Signature]*  
**CC:** David Brown and Dick Howe  
**Date:** May 30, 2003  
**Re:** The Future after the NESWC Contract

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As the Board will note in the reading information packet, NESWC is about to approve an extension agreement with Waste Management (primarily the trash burning plant in North Andover). Staff made a presentation to last year's Board on the "Extension Agreement" and pursuant to that discussion has informed NESWC that Acton is not planning to avail itself of the Extension agreement.

In Pam Harting-Barrat's NESWC presentation to the last Annual Town Meeting, she outlined several options that may be considered concerning the future operation of the Transfer Station. Now that NESWC is about to conclude group negotiations, it is appropriate for the Town to begin exploring its individual options.

There are many processes the Board could avail itself of in order to facilitate the decision process. Staff could recommend a solution, an advisory sub-committee could be formed (the League of Women Voters have formed a working group for this subject matter), or the Board could hold a public hearing or a series of public hearings concerning the issue.

I suggest that the issue of the future operations (or lack thereof) of the Transfer Station is a question that has significant financial, health and quality of life issues imbedded within it. Consequently, I suggest that the Board hold a series of "public hearings" on the available options. I recommend this strategy over other possible strategies due to the amount of press coverage a Selectmen's Meeting gains vs. the meetings of an advisory sub-committee, the breadth of the underlying issues, which involve the specific expertise of each and every Board member and the availability of time for the public to become aware of the options.

Staff awaits the direction of the Board in this matter.

**What is Happening at  
Midnight  
On September 26, 2005**

# The April 1996 Town Meeting Presentation

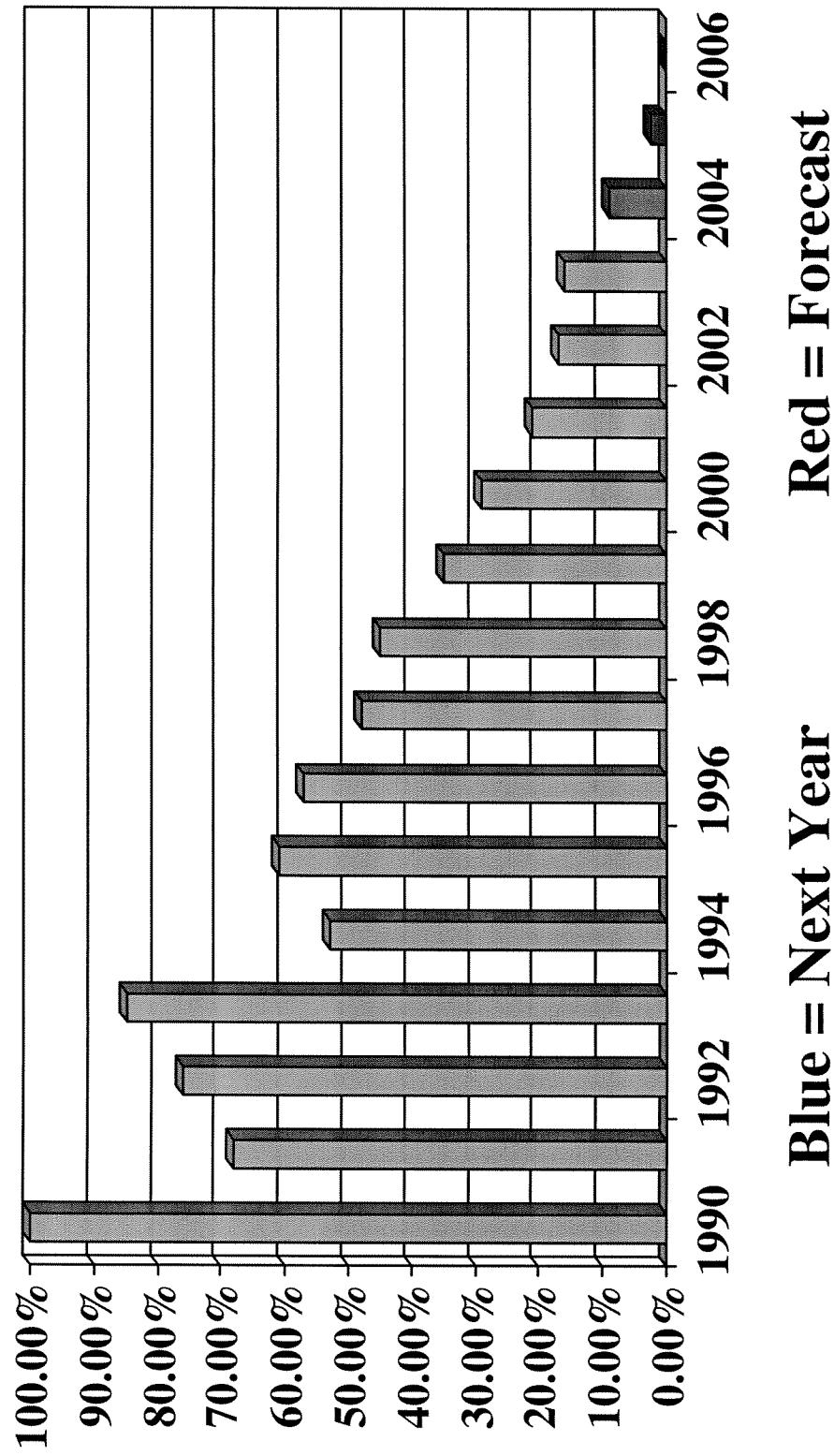
1. The Tax Subsidy could be level funded at \$667K to FY '06 if item #3 holds true.
2. The Sticker Fee could be level funded at \$100 to FY '06, if item #3 holds true.
3. Brokerage program operates at at least \$10/per ton profit and we process 27,000 tons per year (54 million pounds).
4. Fund Balance would be allowed to grow and used to off-set Back loaded Debt Schedule

# The April 1996 Town Meeting Presentation – Current Status

1. Tax Contribution could be level funded at \$667K to FY '06.
  - For FY '02 and FY '03 tax contribution decreased \$100,000 per year
  - FY '04 Tax contribution decreased \$300,000
  - Total Expected decrease in contributions for FY '05 & FY '06 - \$500,000
  - Total Decrease in Tax Support from Plan
    - **\$1,000,000**

# TAX Contributions

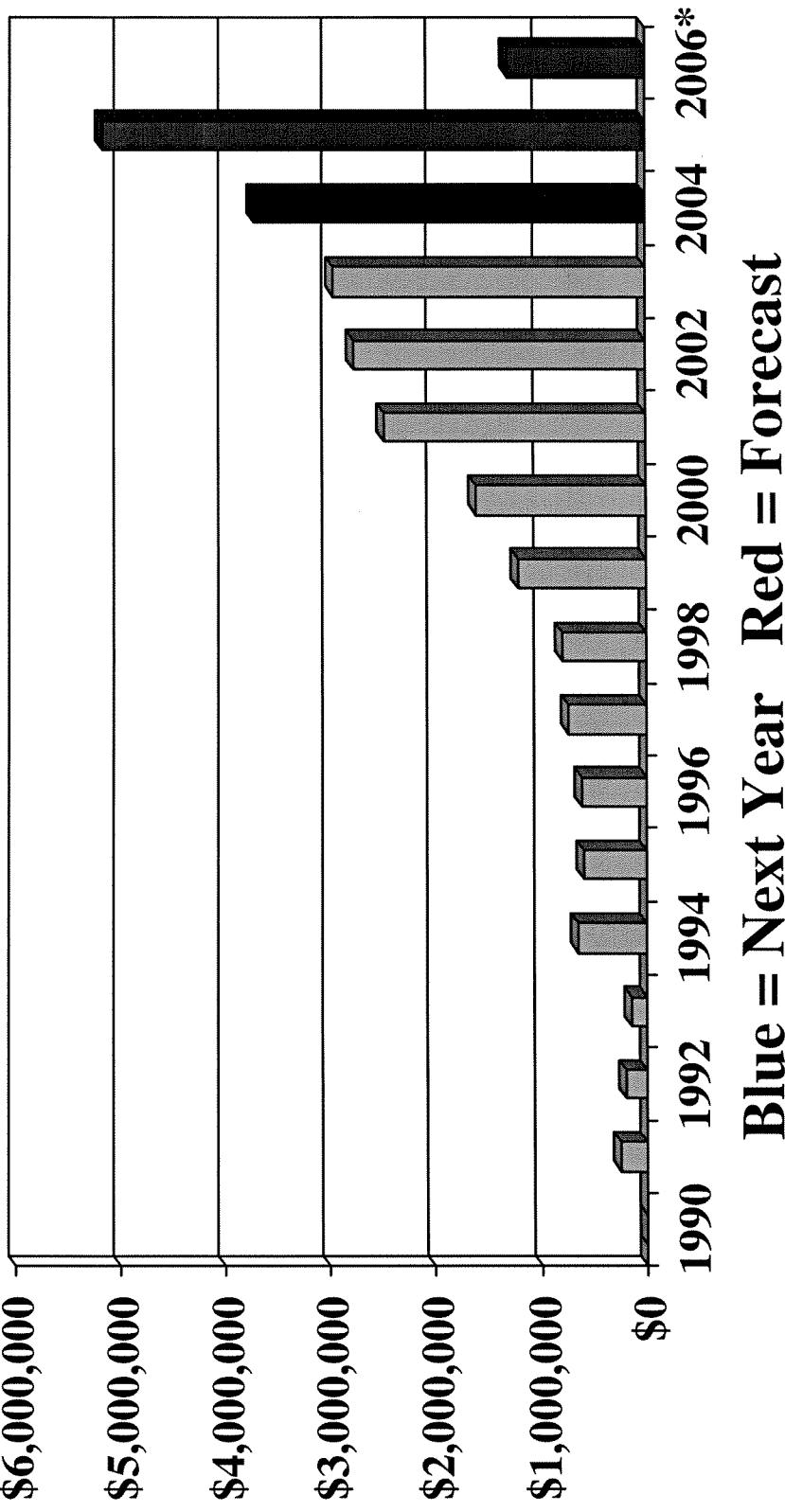
As a Percentage of Total Budget



Blue = Next Year

Red = Forecast

# Costs Funded by Non-Tax Income



\*Contract Terminates Sept. 28, 2005

# The April 1996 Town Meeting Presentation – Current Status

2. The Sticker Fee could be level funded at \$100 to FY '06.

**Sticker Fee \$100 – From 1993 to 2002**

**Increased to \$125 – Now. 2002**

**Additional Revenue through FY '06**

**\$170,000**

# The April 1996 Town Meeting Presentation – Current Status

- 3. Brokerage program operates at a \$10 per ton profit margin and we process 27,000 tons per year (54 million pounds).

**\$10 per ton profit has been maintained**

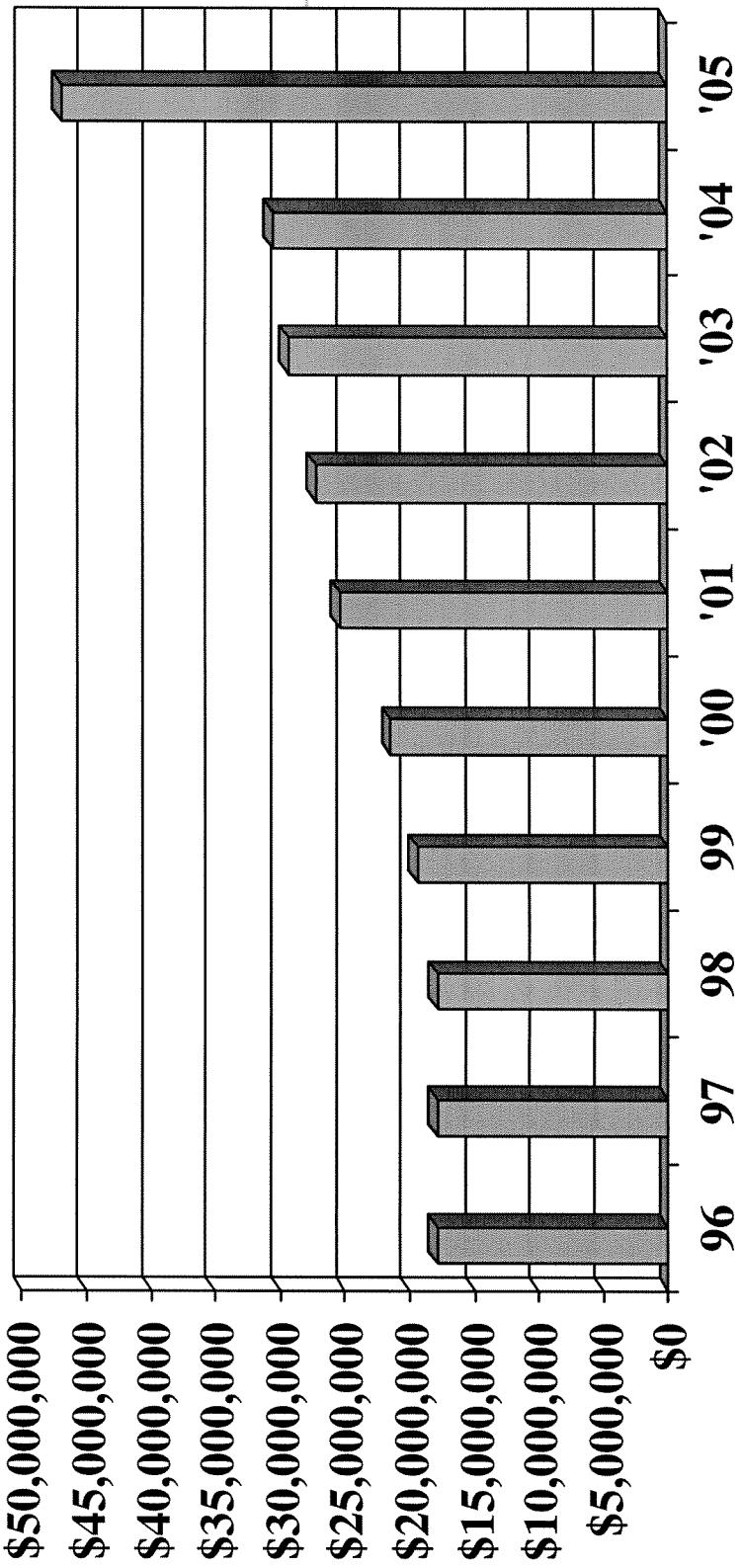
Volume has varied due to market conditions and meeting the required profit margin

# The April 1996 Town Meeting Presentation – Current Status

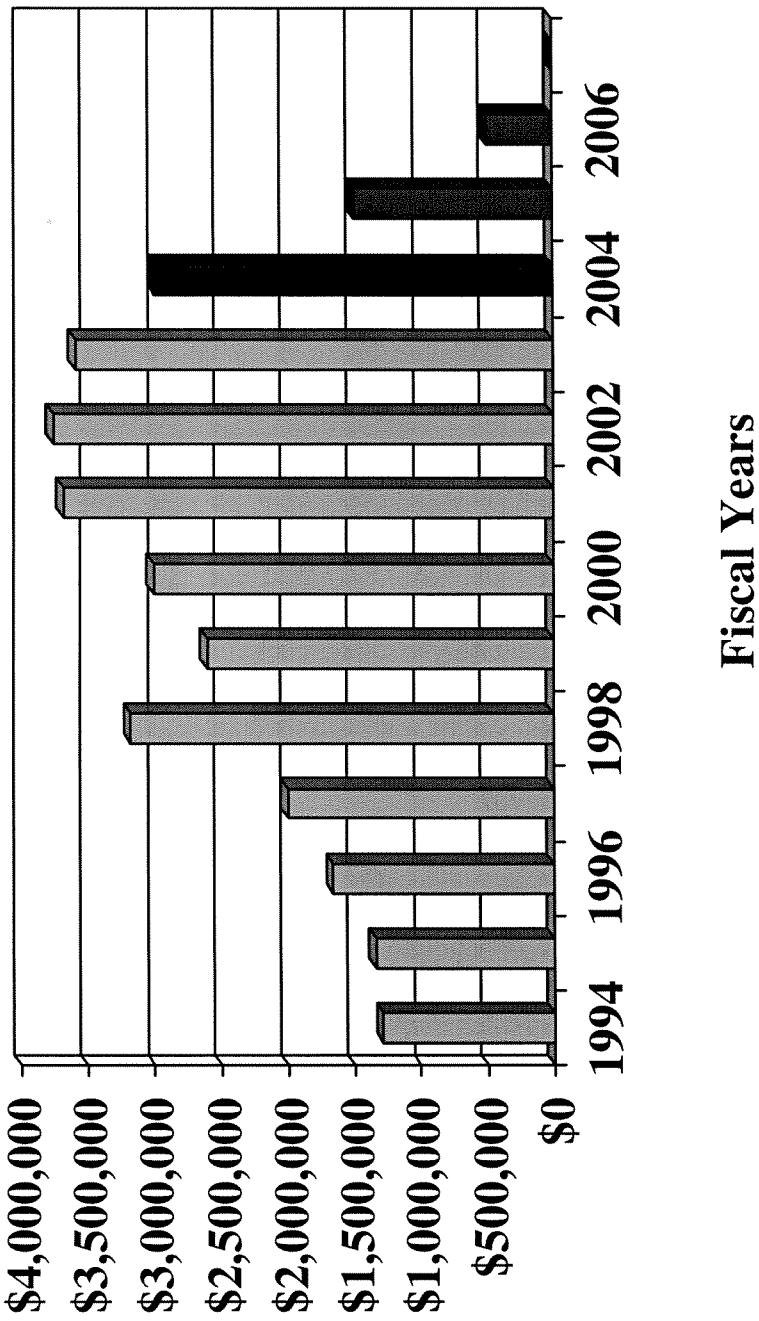
4. Fund Balance would be allowed to grow and used to off-set Back loaded Debt Schedule

# Annual Debt Service Requirement

Maturity Date July 1



# NESWC Fund Balance



Blue = Next Year Red = Forecast

\* Retrofit costs were paid in FY '99

# Contract Termination Clause 1

- Conduct Good Faith Negotiations as a collective unit with Waste Management
- **21 out of 23 Communities Accepted in Concept**
  - 1, 3 or 5 year contract extensions

**Action has Not!**

# Contract Termination Clause 2

- Good faith negotiations fail – then Acton can pursue other vendors
- Acton's Transfer Operation is UNIQUE
  - Acton is attempting to monetize Transfer Station Operations.
    - Seeking proposals for purchase
    - Seeking proposal for lease

# Possible Types of Compensation

- Curbside pick-up, or
- Cash, or
- Combination thereof

# Contract Termination Clause 3

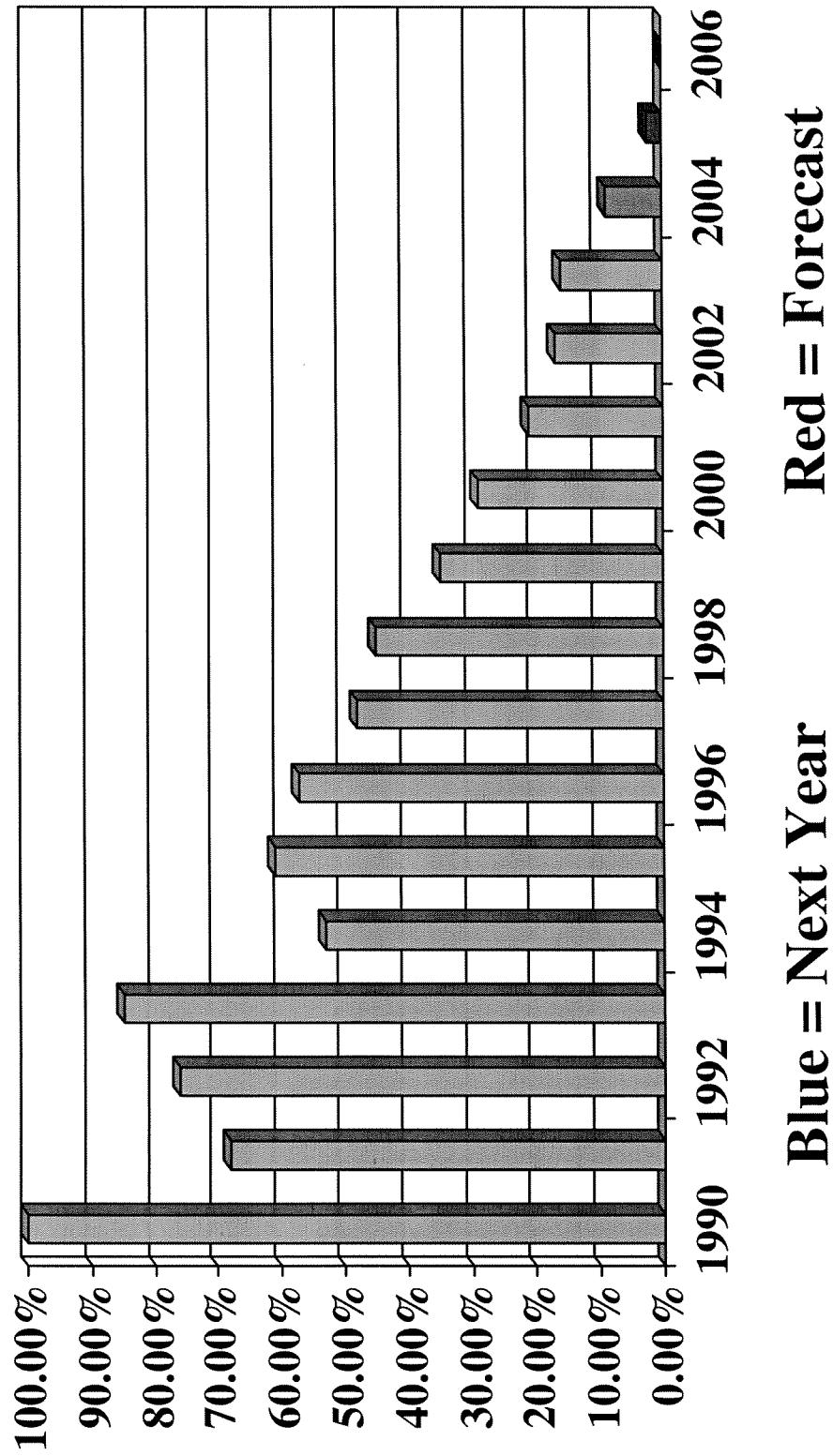
- Waste Management then has a 90 day unrestricted right to match best offer obtained in market search

# Contract Termination Clause 4

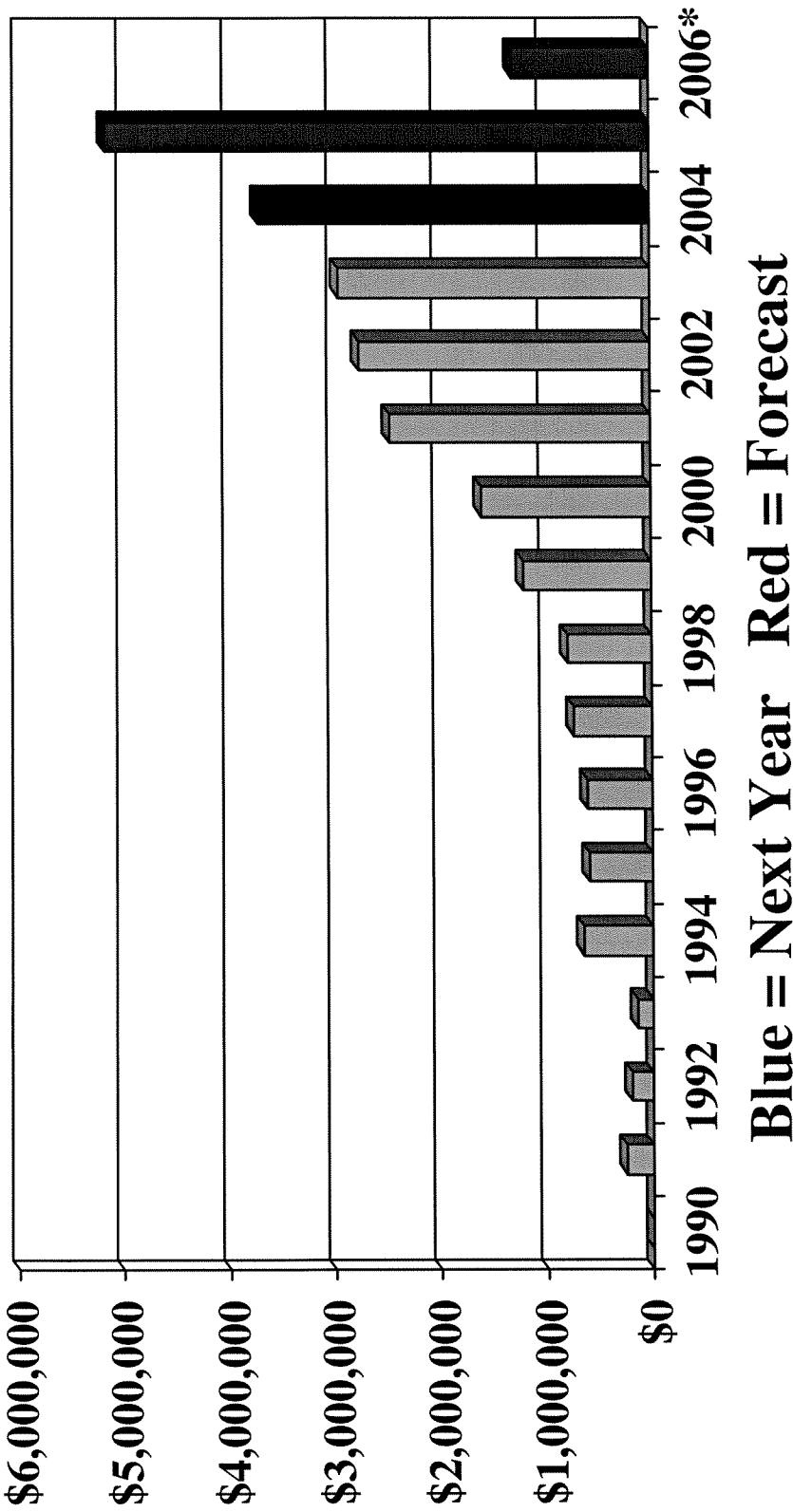
4. Each Community has the right to access the lowest price Waste Management offers for Municipal Waste
  - If Acton's Transfer Station monetization efforts fail, or
  - If Acton cannot obtain a better disposal price in the market place,
  - Then we can access the lowest price Waste Management has contracted for at North Andover.

# TAX CONTRIBUTIONS

## AS A PERCENTAGE OF TOTAL BUDGET



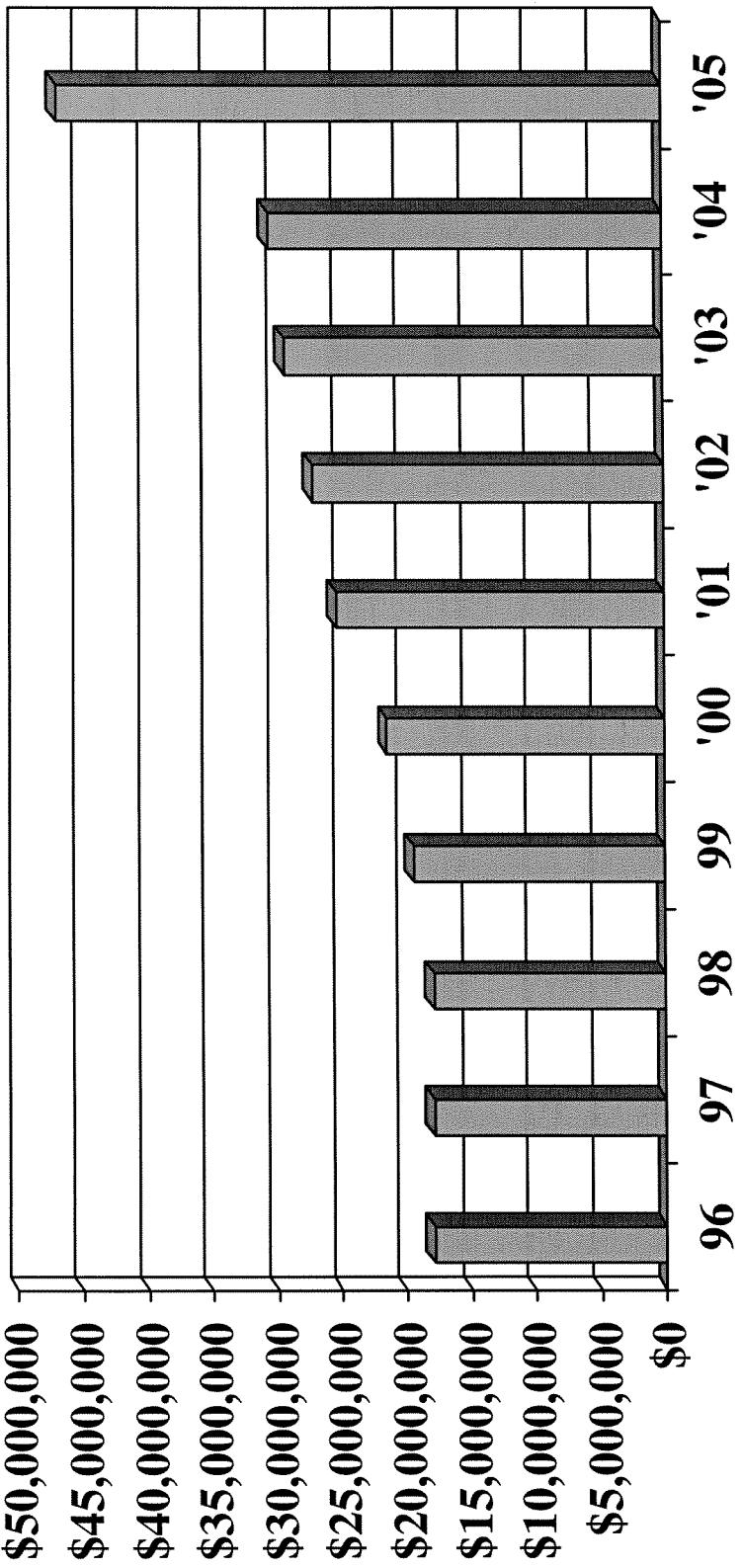
# Costs Funded by Non-Tax Income



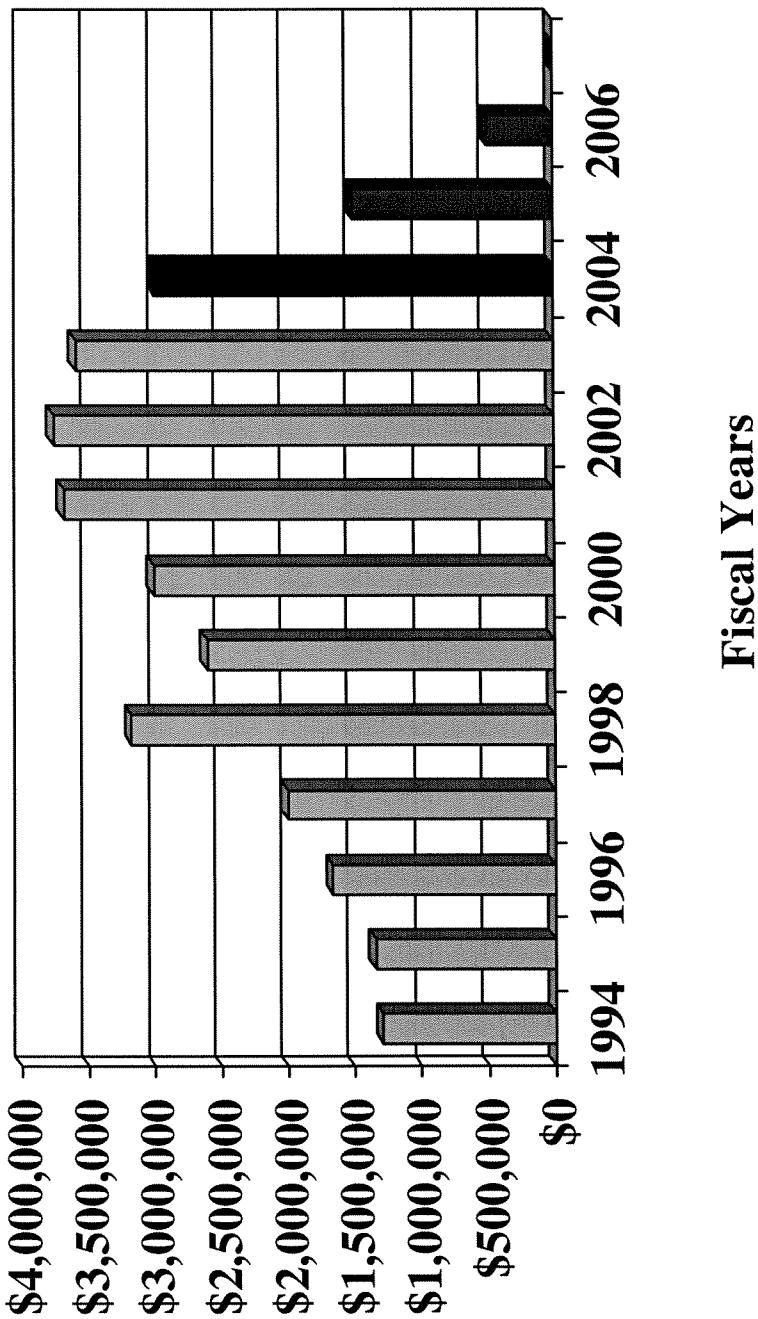
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# Annual Debt Service Requirement

Maturity Date July 1



# NESWC Fund Balance



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# Summary

- Decreased Tax Contribution from over \$1,300,000 to \$367,000
- Funded Approx. \$800,000 of Environmental Plant Improvements without additional taxes
- Estimated Savings to Plan FY 96–FY '06 (taxes and fees) \$870K
- Fund Balance covers entire increase due to back-loaded debt
- Uniquely positioned for the future